



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

3/037/0058
TASK 2389

October 14, 2008

Toby Wright
Uranium One Exploration
3801 Automation Way, Suite 100
Fort Collins, Colorado 80525

Subject: Approval of Permit Transfer, Uranium One Exploration, Sage Mine, S0370058, Task 2389, San Juan County, Utah

Dear Mr. Wright:

On August 11, 2008, Division Director John Baza signed the reclamation contract and permit transfer for the Sage mine. Uranium One Exploration now has responsibility for this site under the Utah Mined Land Reclamation Act. The Division finds your Notice of Intention to Commence Small Mining Operation (NOI) and approves the form and amount of reclamation surety. Enclosed with this letter are copies of your NOI stamped approved, the reclamation contract, and permit transfer.

Although you are approved to conduct mining operations under the Division authority, you need to ensure you have approval from the Bureau of Land Management for a plan of operations before mining.

Thank you for your cooperation in finalizing this action.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB:vs

Enclosures: NOI (Stamped Approved)
Permit Transfer
Reclamation Contract

cc: Fred Craft, Plateau Resources
Ted McDougall, Monticello BLM
Opie Abeyta, BLM, w/enclosures

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This Section for DOGM Use:

Assigned DOGM File No.: S 80370058 ~~6870058~~

DOGM Lead: _____

Permit Fee \$ 150⁰⁰ Ck # 1909

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291 Fax: (801) 359-3940

NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" mining operations which have a disturbed area of five or less surface acres at any time.

I. GENERAL INFORMATION (Rule R647-3-104)

1. Name of Mine: Sage Mine
2. Legal name of entity (or individual) for whom the permit is being requested: _____
Uranium One Exploration U.S.A. Inc.
Mailing Address: 3801 Automation Way, Suite 104
City, State, Zip: Fort Collins, Colorado 80525
Phone: 970-231-1160 Fax: 970-223-7171
E-mail Address: toby.wright@uranium1.com

Type of Business: Corporation (X) LLC () Sole Proprietorship (dba) ()
Partnership () General _____ or _____ limited
Or:
Individual ()

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Entity must be registered (and maintain registration) with the State of Utah, Division of Corporations (DOC) www.commerce.utah.gov.

Are you currently registered to do business in the State of Utah? ☒ Yes ☐ No

Entity # 6602917-0143

If no, contact www.commerce.utah.gov to renew or apply.

Local Business License # _____ (if required)

Issued by: County _____ or City _____

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DIV. OF OIL, GAS & MINING

3. **Contact Person(s)**

Name: Toby Wright Title: Environmental Manager
Address: 3801 Automation Way, Suite 100
City, State, Zip: Fort Collins, Colorado, 80525
Phone: 970-231-1160 Fax: 970-223-7171
Emergency, Weekend, or Holiday Phone: 970-231-1160
E-mail Address: toby.wright@uranium1.com

Contact person to be notified for: ☒ permitting ☒ surety ☒ Notices ☒ (please check all that apply)

Name: _____ Title: _____
Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
Emergency, Weekend, or Holiday Phone: _____
E-mail Address: _____

Contact person to be notified for: ☐ permitting ☐ surety ☐ Notices ☐ (please check all that apply)

Registered Utah Agent (as identified with the Utah Department of Commerce) (if individual leave blank):

Name: _____
Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

4. **If Business is a: Sole Proprietor:**

Sole Proprietor:

Name of Owner: _____ Title: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

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If Business is a Corporation:

Name of Officers: John Sibley Title: President
Jennifer Smith Title: Treasurer
Chris Sattler Title: Secretary

Title: _____

Headquarters Address: Oceanic Plaza, 1066 West Hastings Street, Suite 2300
City, State, Zip: Vancouver, BC V6E 3X2
Headquarters Phone: 1-604-601-5620 Fax: 1-604-601-5621
E-mail Address: john.sibley@uranium1.com

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If Business is a Limited Liability Company: Member Managed ☐ Manager Managed ☐

Name of 1st Member/Manager: _____ Title: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

Name of 2nd Member/Manager: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

If Business is a Partnership:

Name of Partner: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

5. **Ownership of Land Surface:**

Private (Fee) ☐ Public Domain (BLM) ☒ National Forest (USFS) ☐
State Trust Land/School Sections ☐ State Sovereign Lands ☐
Other (please describe): Bureau of Land Management, Monticello Field Office
Name _____ Address _____
Name _____ Address _____
Name _____ Address _____
Name _____ Address _____

6. **Ownership of Minerals:**

Private (Fee) ☐ Public Domain (BLM) ☒ National Forest (USFS) ☐
State Trust Land/School Sections ☐ State Sovereign Lands ☐
Other (please describe): Bureau of Land Management, Monticello Field Office
Name _____ Address _____
Name _____ Address _____
Name _____ Address _____
Name _____ Address _____

BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s): _____

BLM Claim Numbers UMC 373409-UMC 373417; UMC 373439-UMC 373451; UMC 378430- UMC 378450

Utah State Lease Number(s): _____

Name of Lessee(s) _____

7. **Have the above surface and mineral owners been notified in writing?**

Yes X No _____

If no, why not? _____

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Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration **prior** to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.

8. Does the Entity have legal right to enter and conduct mining operations on the land covered by this notice? Yes X No _____

II. **PROJECT LOCATION & MAP** (Rule R647-3-105)

1. **Project Location** (legal description):

County(ies): San Juan

NE	1/4, of _____	1/4, of _____	1/4: Section: <u>34</u>	Township: <u>32S</u>	Range: <u>26E</u>
SE	1/4, of _____	1/4, of _____	1/4: Section: <u>34</u>	Township: <u>32S</u>	Range: <u>26E</u>
_____	1/4, of _____	1/4, of _____	1/4: Section: _____	Township: _____	Range: _____

UTM East _____ (if known) UTM North _____ (if known)

Name of Quad Map for Location: _____

2. **Location and Operations maps** must be plotted at a scale to accurately identify locational landmarks and operations details. All maps must include a north arrow, a scale, appropriate labels, title box including the mine name, township, range and section.
- a. **Map 1:** The **general location map** must be the scale of a USGS 7.5 minute series map or equivalent (1"=2000') and identify new or existing access roads.
 - b. **Map 2:** The **operations map** (1"=200' or other scale as determined necessary by the Division) must be labeled and identify:
 - i. The area to be disturbed;
 - ii. The location of any existing or proposed operations including access roads, drill holes, trenches, pits, shafts, cuts, or other planned activities; and
 - iii. Any adjacent previous disturbance for which the operator is not responsible.(Contact the Division for a list of consultants and land surveyors for mapping assistance.)
3. The proposed (5 acre or less) disturbed area (including access/haul roads) should be marked ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers should be appropriately spaced (<50 feet) so that the next marker in either direction is clearly visible with the naked eye.

III. **OPERATION PLAN** (Rule R647-3-106)

1. **Type of mining:** Surface ☐ Underground ☒
2. **Mineral(s) to be mined:** Uranium
3. **Amount of material to be extracted, moved or proposed to be moved:** _____
No mining activity planned at this time.

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4. **Will any water, liquid chemicals, reagents, or other solutions be used, produced or discharged as part of the mining or milling process?**
Yes ☐ No ☐ If yes, please describe (add extra pages if needed) _____

5. **Provide a brief description of the proposed mining operation and onsite processing facilities** (add extra pages if necessary). Attempting to complete transfer of property from previous owner. No mining activity planned at this time. Uranium One will re-evaluate the reclamation and/or operational conditions and alternatives in the near future. Sage Mine is a small uranium mine with a single mine portal and a stabilized mine waste material pile onsite. Two metal frame and sheeting buildings are on site for use during mine operations. The only access is a narrow single lane dirt road. A small ventilation borehole & escape hoist is located on top of the mesa and is accessed via a two track dirt road. The site is stabilized for this inactive period. Underground access is blocked by a gate.

6. ☐ **New Road(s):** Length _____ (ft) Width _____ (ft)

7. ☐ **Improved Road(s):** Provide a description of the improvements that need to be made to existing roads to access the site, including the Length _____ (ft) and Width _____ (ft) of improvements.

8. **Total project surface acreage to be disturbed:** 3.2 (acres) **PLEASE SPECIFY EXACT ACREAGE - (this will be used to determine surety bond amount - see #V).**

9. **Proposed startup date of project** (month, year) Unknown

10. **Proposed completion date of project, if known** (month, year) Unknown

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the Permittee / Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining. Please refer to The Practical Guide to Reclamation in Utah, available at www.ogm.utah.gov.

1. *Keep the mining operation in a safe, clean, and environmentally stable condition.*
2. *Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.*
3. *Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.*
4. *Construct berms, fences, or barriers, when needed, above highwalls and excavations.*
5. *Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.*
6. *Remove all waste or debris from stream channels.*
7. *Dispose of any trash, scrap metal, wood, machinery, and buildings.*
8. *Conduct mining activities so as to minimize erosion and control sediment.*
9. *Reclaim all roads that are not part of a permanent transportation system.*

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10. Stockpile topsoil and suitable overburden prior to mining.
11. Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.
12. Properly prepare seedbed to a depth of six inches by pocking, ripping, discing, or harrowing. Leave the surface rough.
13. Reseed disturbed areas with adaptable species. (The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.)
14. Plant the seed with a rangeland or farm drill, or broadcast the seed. Fall is the preferred time to seed.

V. VARIANCE REQUEST (Rule R647-3-110)

Any variance request must be approved in writing by the Division

Yes ☐ No ☐

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above (see **IV. Operation and Reclamation Practices** Item # 1-14), should be identified below listing applicable rule number. Give justification for the variance(s) and alternate methods or measure to be utilized. A variance shall be granted if the alternative method or measure proposed will be consistent with the Act.

1st Variance Requested

Item # _____ Applicable Rule # (i.e. R647-3-109.10 (if you did not want trenches & pits reclaimed))
 Justification: _____
 Alternate methods or measure to be utilized: _____

2nd Variance Requested

Item # _____ Applicable Rule # _____
 Justification: _____
 Alternate methods or measure to be utilized: _____

3rd Variance Requested

Item # _____ Applicable Rule # _____
 Justification: _____
 Alternate methods or measure to be utilized: _____

Attach additional page if more variances are requested.

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VI. SURETY (Act 40-8-7(1)[c])

DIV. OIL GAS & MINING

A reclamation contract and surety must be provided to and approved by the Division prior to commencement of operations.

The Utah Mined Land Reclamation Act (40-8-7 (1)[c] and 40-8-14 provides the authority that all mining operations furnish and maintain reasonable surety to guarantee that the land affected is reclaimed.

The surety amount is based on the nature, extent and duration of operations. *The surety amounts are based on data from current large mine surety and are used as a general guide, along with actual site conditions.*

Surety for small mines sites will be escalated three (3) years to the future. Contact the Division for dollar amount required for this project.

I will provide surety in the form of a: Certificate of Deposit, Letter of Credit, Surety Bond, Cash (certified funds), or Division Approved form.

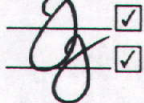
VII. PERMIT FEE [Mined Land Reclamation Act 40-8-7(1)(i)]

The Utah Mined Land Reclamation Act of 1975 [40-8-7(1)(i)] provides the authority for the assessment of permitting fees. Commencing with the 1998 fiscal year (July 1 - June 30), permit fees are assessed to new and existing notices of intention, and annually thereafter, until the project disturbances are successfully reclaimed by the Permittee / Operator and released by the Division.

Small Mine Notices require a \$150.00 fee which must accompany this application or it cannot be processed by the Division.

VIII. SIGNATURE REQUIREMENT

(Please check the box if applicable and place your initials on the line provided)





I have enclosed the required permit fee.



I understand that I am not authorized to create any surface disturbance until the surety amount is posted and approved in writing from the Division of Oil, Gas and Mining and any other authorized regulatory agency.

CERTIFICATION

I state under penalty of perjury under the laws of the state of Utah and the United States of America that:

- a. I have read this form and declare the information, statements and/or documentation are true, correct and complete to the best of my knowledge and belief; AND
- b. I commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.
- c. **This certification must be executed by an executive officer if the applicant is a corporation; by a partner if applicant is a partnership (general or limited); owner if applicant is a sole proprietorship; member or manager if applicant is a limited liability company.**

Signature: 

Date: November 9, 2007

Name (typed or printed): John Sibley

Title/Position (if applicable): President

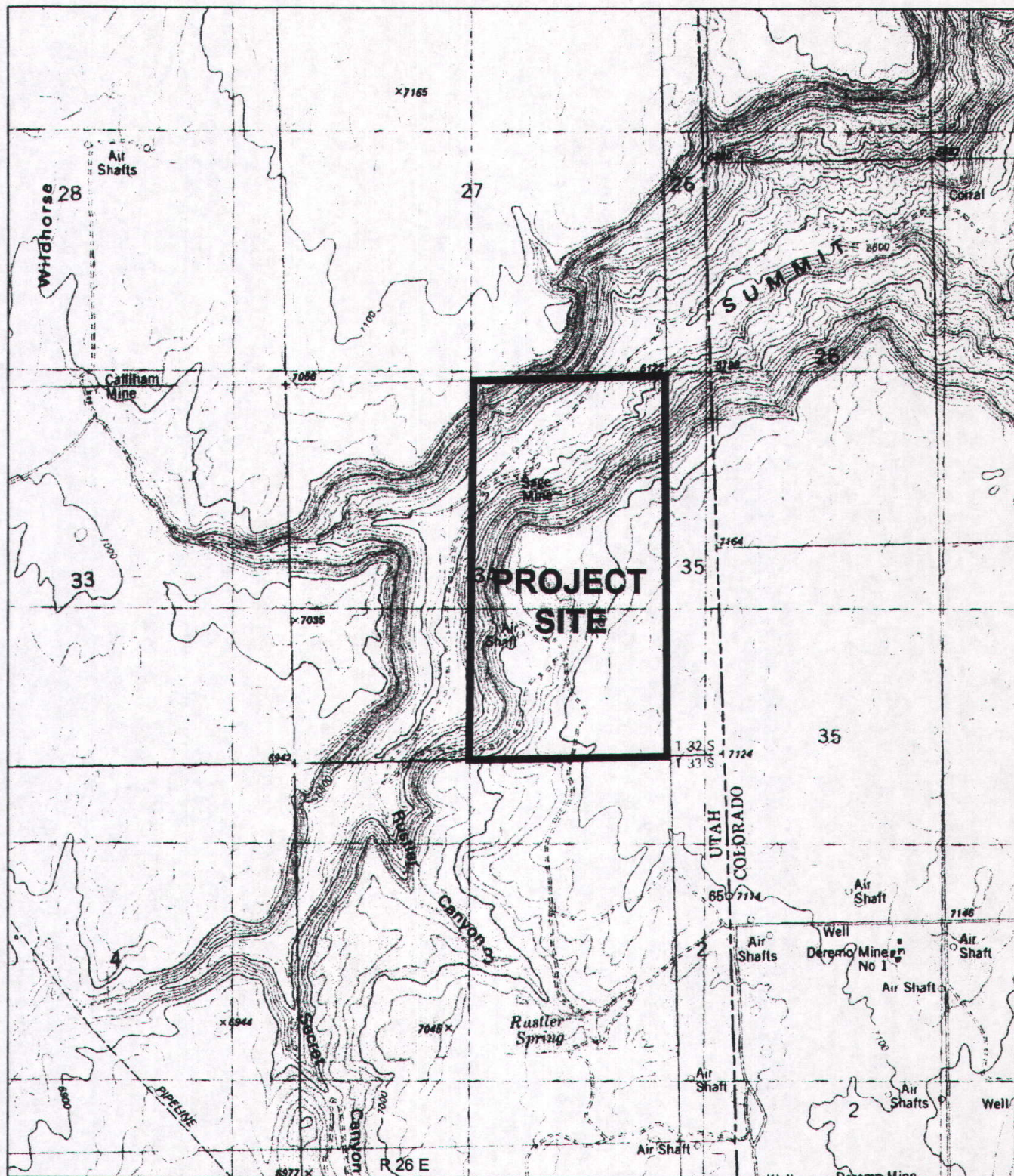
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DIV. OIL GAS & MINING

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Source: USGS 7.5 minute Quadrangle, Piute Knoll, Utah, 1985.

EXISTING DISTURBANCE = 3.2 ACRES

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AUG 11 2008



SCALE IN FEET
0 2000

Project No. 181692

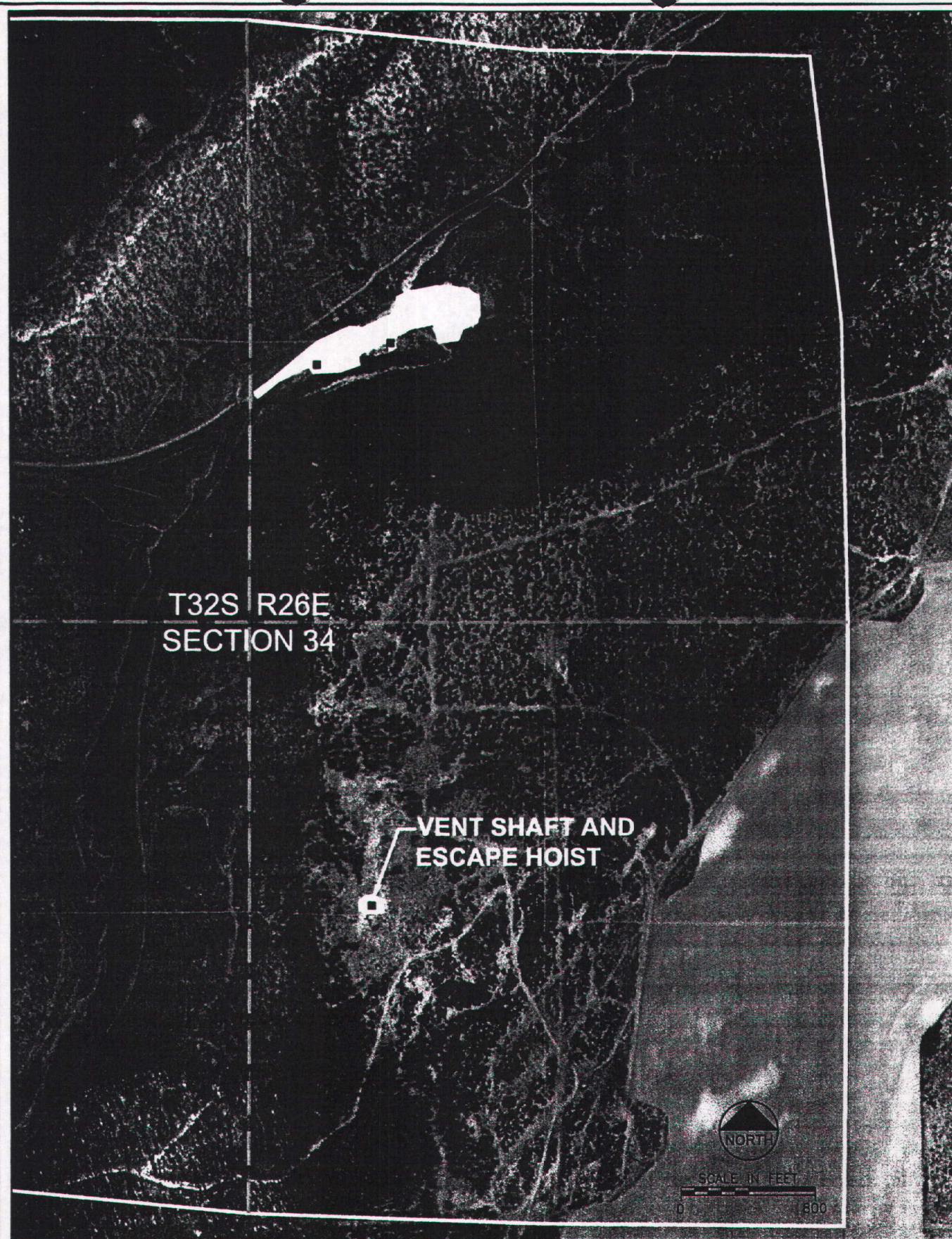
DIV. OIL GAS & MINING

March 2008



Figure 1
General Location Map

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Project No. 181692

APPROVED March 2008



LEGEND

- BUILDINGS
- EXISTING DISTURBED AREAS (3.2 ACRES)

AUG 11 2008

Figure 2
Existing Disturbance Map
DIV. OF OIL GAS & MIN.

This Section For DOGM Use:

New DOGM File No.: _____

Date Received: _____

Date Effective: _____

UTAH STATE DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

UTAH MINED LAND RECLAMATION ACT

Chapter 8, Title 40
Utah code Annotated
Amended 1987

TRANSFER OF NOTICE OF INTENTION
SMALL MINING OPERATIONS

MUST CHECK ONE:

☒ Total Transfer or ☐ Partial Transfer

SMALL MINING OPERATION

Name of Claim/Mine: Sage Mine - S0370058

File Number as Assigned by DOGM (Original Notice): 5 / 037 / 058

Legal Description (Location of Lands Affected):

NE 1/4 1/4 1/4	34 Section	32S Township	26E Range	San Juan County
SE 1/4 1/4 1/4	34 Section	32S Township	26E Range	San Juan County

Attach a topographic map (labeled as Appendix AA@) of suitable scale (max. scale, 1 inch = 200 ft., 1 inch = 100 ft. preferred) which clearly outlines the existing disturbed area boundaries affected by the small mining operation through the date of this transfer.

CURRENT OPERATOR (Transferor)

Name of Company/Operator: Plateau Resources Limited, Inc.

Address: 877 North 8th West

City: Riverton

State: Wyoming

Zip Code: 82501

Telephone Number: 307-856-9271

Signature: [Signature]

Name (Type or Print): Keith G. Larson

Title/Position: Chairman/CEO

Date: 09/15/08

I hereby transfer the notice of intention and the reclamation obligation for the aforementioned small mining operation to:

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DIV. OF OIL, GAS & MINING

NEW OPERATOR (Transferee)

Name of Company/Operator: Uranium One Exploration U.S.A. Inc

Address: 3801 Automation Way, Suite 100

City: Fort Collins State: Colorado Zip Code: 80525

Telephone Number: 970-231-1160

Please initial and check the following boxes to complete this page

JS ☒ I have provided the Division a fully executed and signed Reclamation Contract (Form MR-RC) and an acceptable form of reclamation surety.

JS ☒ I hereby commit to conduct mining operations and to reclaim the aforementioned small mining operation as required by the Utah Mined Land Reclamation Act (40-8) and Minerals Rules R647-3 et seq. as promulgated and approved by the Board of Oil, Gas and Mining.

JS
Signature (New Operator)

John Sibley
Name (Type or Print)

President
Title/Position

Subscribed and sworn before me this 9th day of November, 2007.

US
Notary Public

My Commission Expires: n/a
_____, 20____.

Province
State of British Columbia
City
County of Vancouver) ss.

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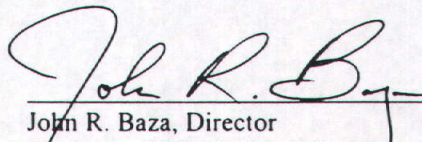
DIVISION APPROVAL CERTIFICATION

This is to certify that I have examined this application for transfer of the aforementioned small mining operation and do hereby grant approval of the same, subject to the following limitations:

- (a) This transfer of small mining permit grants only the right to affect the lands as legally described in this application.
- (b) The transferee has provided the Division a fully executed and signed Reclamation Contract (Form MR-RC) and an acceptable form of reclamation surety. The surety shall be effective on or before the date of transfer.
- (c) The transferee, or such other person as required by UCA 1953, Title 40-8, as amended, has acquired the legal right to enter and mine the lands as described in this application.
- (d) A topographic map of suitable scale is attached (as Appendix AA@) which clearly outlines and labels the existing disturbed area boundaries through the date of this transfer.

COMMENTS:

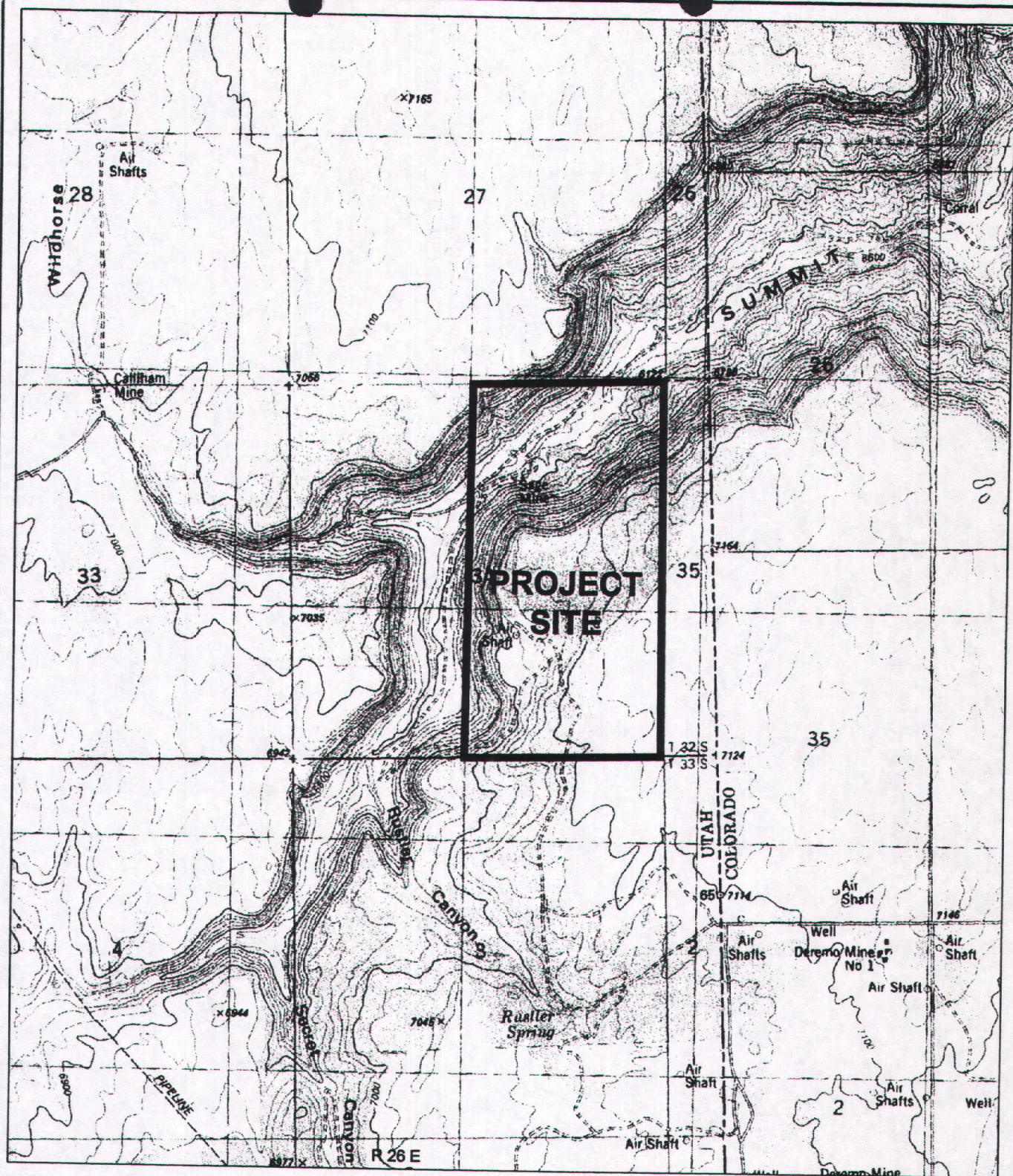
APPROVED BY:



John R. Baza, Director
Division of Oil, Gas and Mining

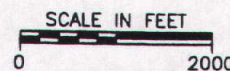
Effective Date: 8/11/08

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Source: USGS 7.5 minute Quadrangle, Piute Knoll, Utah, 1985.

EXISTING DISTURBANCE = 3.2 ACRES



Project No. 181692

March 2008



Figure 1
General Location Map

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Project No. 181692

March 2008



LEGEND

- BUILDINGS
- EXISTING DISTURBED AREAS (3.2 ACRES)

Figure 2
Existing Disturbance Map

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

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SMALL MINE RECLAMATION CONTRACT

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Uranium One Exploration U.S.A. Inc. the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. S 0370058 which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the mining operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the mining operations conducted or to be conducted pursuant to a Complete Notice of Intention.
2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:
 - A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on-site ways, roads, railroads; land excavations; drill sites and workings; refuse banks or spoil piles; evaporation or settling

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ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and

- B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the Complete NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with a complete notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the Complete NOI.
- 3. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI which are intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
 - 4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as **ATTACHMENT A** to this Contract.
 - 5. If the Surety expressly provides for cancellation or termination for non-renewal:
 - A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or
 - B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or any other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety for the purpose of fully satisfying all of the reclamation

obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act and regulations, as amended. If the mining operations are modified or for any other reason vary from those described in the Complete Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
7. If reclamation of discrete sections of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the Complete Notice of Intention in accordance with the requirements of the Act and regulations, as amended.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the applicable rules.
9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.
10. Operator agrees to indemnify and hold harmless the State, Board, and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.

12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.
13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.
16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.

DIVISION OF OIL, GAS AND MINING:

By John R. Baza
John R. Baza, Director

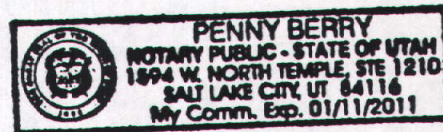
Date 8/11/08

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 11 day of August, 2008, John R. Baza
personally appeared before me, who being duly sworn did say that he, the said
John R. Baza is the Director of the Division of Oil, Gas and Mining,
Department of Natural Resources, State of Utah, and he duly acknowledged to me that
he executed the foregoing document by authority of law on behalf of the State of Utah.

Penny Berry
Notary Public
Residing at: Salt Lake

1/11/2011
My Commission Expires:



FACT SHEET

Commodity: Uranium

Mine Name: Sage Mine

County: San Juan

Disturbed Acres: 5 (five)

Operator Name: URANIUM ONE EXPLORATION USA*

Operator address: 11850 S HWY 191 A5 MOAB UT 84532

Operator telephone: 435-259-2443

Operator fax: 435-259-2476

Operator email: larry.trimble@uranium1.com

Contact: Toby Wright

Surety Type: LOC

Held by (Bank/BLM): Wells Fargo

Surety Amount: \$20,800.00

Account Number:

UTU and/or ML number: none

Escalation Year: 2010

Tax ID or Social Security (for cash only): n/a

A large, stylized, semi-transparent watermark of the word "COPY" is located in the bottom right corner of the page.

Irrevocable Letter of Credit #

Issue Date: November 14, 2007

Beneficiaries:

State of Utah

Utah Division of Oil, Gas and Mining

1594 West North Temple, Suite 1210

Salt Lake City, Utah 84116

For itself and as agent for:

Bureau of Land Management

Utah State Office

440 West 200 South, Suite 500

Salt Lake City, Utah 84101

Re: Uranium One Exploration U.S.A., Inc., Sage Mine, DOGM permit# S0370058

Ladies and Gentlemen:

1. Wells Fargo Bank, N.A., ("Bank"). of San Francisco, California, hereby establishes this Irrevocable Letter of Credit # _____ (the "Letter of Credit") in favor of the State of Utah, Division of Oil, Gas and Mining ("Division") for itself and as agent for the and Bureau of Land Management, Utah State Office ("Cooperative Agency") (collectively the "Beneficiaries") for an aggregate amount not to exceed \$20,800.00 in United States Dollars ("Face Amount") effective immediately; on behalf of Uranium One Exploration U.S.A., Inc. ("Operator") for Sage Mine under DOGM issued Permit No. S0370058.
2. This Letter of Credit will expire upon the first event set forth as follows: (a) 5:00 o'clock p.m. (San Francisco time) on May 1, 2008 or (b) the date upon which sufficient documents are executed by the Division to release Uranium One Exploration U.S.A., Inc. ("Operator") from further liability for reclamation of the Sage Mine, Mine Permit No. S0370058 with notice to Bank by the Division accompanied by the original Letter of Credit with directions for termination.
3. This Letter of Credit expires on May 1, 2008 will be automatically extended for successive periods of one year from the current or any future expiration date unless 90 days prior to the expiration date that the Bank sends notice to the Division by any courier services or by registered United States mail return receipt requested that the Bank elects not to extend the Letter of Credit.
4. Funds under the Letter of Credit are available against the Division's sight draft, in the form of Exhibit A, specifying Letter of Credit # NZS608818 delivered to the office of the Bank, Wells Fargo Bank, N.A., Trade Services Division, Northern California, One Front Street, 21st Floor, San Francisco, California 94111. At the Division's sole election, the Division may present sight drafts for less than the Face Amount so long as the aggregate amount of all sight drafts does not exceed the Face Amount. Each draft must be accompanied by a certificate in the form of Exhibit B, signed by a duly authorized representative of the Division.

EXHIBIT A - SIGHT DRAFT

To
Letter of Credit Number NZS608818

Date

City, County

Letter of Credit No.

PAY TO THE ORDER OF: State of Utah, and U.S. Department of the Interior Bureau of Land Management

DOLLARS

TO: Wells Fargo Bank, N.A.
Trade Services Division, Northern California
One Front Street, 21st Floor
San Francisco, California 94111

State of Utah
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84116

and

Bureau of Land Management
Utah State Office
440 West 200 South, Suite 500
Salt Lake City, Utah 84101

By: _____

Authorized Signature

 COPY

EXHIBIT B
To
Letter of Credit Number _____

I, _____ a duly authorized representative of the State of Utah, Division of Oil, Gas and Mining and Bureau of Land Management, hereby certify that (1) the drawing in the amount of \$ _____, by sight draft accompanying this certificate, under Letter of Credit No. _____ dated November 14, 2007 issued by you is permitted under the provision of the Letter of Credit, (2) the Letter of Credit has neither expired nor terminated pursuant to its terms, (3) the amount of the sight draft, together with any amounts previously drawn under the Letter of Credit, does not exceed the Face Amount, and (4) the amount to be drawn is necessary to assure or complete reclamation of the Sage Mine, Mine permit number S0370058 in accordance with applicable law.

State of Utah
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84116

and

Bureau of Land Management
Utah State Office
440 West 200 South, Suite 500
Salt Lake City, Utah 84101

By: _____
Authorized Signature

 COPY